

**SALES AND USE TAX REVIEW COMMISSION
RECOMMENDATION PURSUANT TO P.L. 1999, C. 416**

BILL NUMBER:

A-3443

DATE OF INTRODUCTION:

October 25, 2004

SPONSOR:

Assemblyman Cryan

DATE OF RECOMMENDATION:

December 6, 2004

IDENTICAL BILL:

S-1981

COMMITTEE:

Assembly Appropriations Committee

DESCRIPTION:

This bill exempts sales of energy and utility service to manufacturing facilities from the sales and use tax and the transitional energy facility assessment (TEFA) unit rate surcharge.

ANALYSIS:

As a matter of policy, the Commission feels that production and manufacturing processes should be free from any taxes. A major impediment for manufacturers to stay in New Jersey and remain competitive is the high cost of energy. This exemption is necessary to halt manufacturers from leaving this State and protect manufacturing jobs in New Jersey.

RECOMMENDATION:

The Commission recommends enactment of this bill.

COMMISSION MEMBERS FOR PROPOSAL: 3

COMMISSION MEMBERS AGAINST PROPOSAL: 2

COMMISSION MEMBERS ABSTAINING: 1

(EJL)